

A bill for an act

relating to commerce; regulating contracts and insurance claims for residential roofing goods and services; proposing coding for new law in Minnesota Statutes, chapters 325E; 326B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[325E.66] INSURANCE CLAIMS FOR RESIDENTIAL ROOFING GOODS AND SERVICES.**

**Subdivision 1. Payment or rebate of insurance deductible.** A residential contractor providing residential roofing goods and services to be paid by an insured from the proceeds of a property or casualty insurance policy shall not advertise or promise to pay or rebate all or part of any applicable insurance deductible. If a residential contractor violates this section, the insurer to whom the insured tendered the claim shall not be obligated to consider the estimate prepared by the residential contractor.

For purposes of this section, "residential contractor" means a residential roofer, as defined in section 326B.802, subdivision 14, a residential contractor, as defined in section 326B.802, subdivision 11, and a residential remodeler, as defined in section 326B.802, subdivision 12.

**Subd. 2. Violation.** If a residential contractor violates subdivision 1, the insured or the applicable insurer may bring an action against the residential contractor in a court of competent jurisdiction for damages sustained by the insured or insurer as a consequence of the residential roofer's violation.

Sec. 2. **[326B.811] RESIDENTIAL ROOFING CONTRACT; RIGHT TO CANCEL.**

Subdivision 1. **Required.** A person who has entered into a written contract with a contractor to provide residential roofing goods and services to be paid by the insured from the proceeds of a property or casualty insurance policy has the right to cancel the contract within 72 hours after the insured has been notified by the insurer that the claim has been denied. Cancellation is evidenced by the insured giving written notice of cancellation to the contractor at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the contractor and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the insured not to be bound by the contract.

Subd. 2. **Writing required; notice of right to cancel; notice of cancellation.** (a) Before entering a contract referred to in subdivision 1, the contractor must:

(1) furnish the insured with a statement in boldface type of a minimum size of ten points, in substantially the following form:

"You may cancel this contract at any time within 72 hours after you have been notified that your insurer has denied your claim to pay for the goods and services to be provided under this contract. See attached notice of cancellation form for an explanation of this right."; and

(2) furnish each insured a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in boldface type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

If your insurer denies your claim to pay for goods and services to be provided under this contract, you may cancel the contract by mailing or delivering a signed and dated copy of this cancellation notice or any other written notice to (name of contractor) at (address of contractor's place of business) at any time within 72 hours after you have been notified that your claim has been denied. If you cancel, any payments made by you under the contract will be returned within ten business days following receipt by the contractor of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....

(date)

.....

(Insured's signature)"

Subd. 3. **Return of payments; compensation.** Within ten days after a contract referred to in subdivision 1 has been canceled, the contractor must tender to the insured

3.1 any payments made by the insured and any note or other evidence of indebtedness.  
3.2 However, if the contractor has performed any emergency services, the contractor is  
3.3 entitled to compensation for such services.

3.4 Subd. 4. **Definition.** For the purposes of this section, "contractor" means a  
3.5 residential building contractor who is providing roofing services, a residential remodeler  
3.6 who is providing roofing services, or a residential roofer.